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INFO RUCNRAQ/IRAQ COLLECTIVE IMMEDIATE
RUEHXD/MOSCOW POLITICAL COLLECTIVE IMMEDIATE
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C O N F I D E N T I A L SECTION 01 OF 03 MOSCOW 000955

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E.O. 12958: DECL: 04/02/2018

TAGS: <u>PREL PGOV MARR EPET ENRG IR IZ RS</u>

SUBJECT: DFM SALTANOV DISCUSSES IRAQ, MIDDLE EAST, WITH S/I SATTERFIELD:

REF: A. LAVROV-RICE LETTER FEBRUARY 7 2008 ¶B. MOSCOW 912

Classified By: Ambassador William J. Burns. Reasons 1.4 (b) and (d).

- (C) Summary. In a meeting with DFM Saltanov in Moscow April 2, Senior Advisor to the Secretary and Coordinator for Iraq (S/I) Ambassador David Satterfield urged Russia to encourage Iraq's neighbors to play a greater role in helping to stabilize the country, noting that Iraq was important for much broader issues than Iraq itself. Saltanov said Russia supported increasing assistance to Iraq, and would continue to press Iraq's neighbors to be more active there, including urging Syria to stem foreign fighters to Iraq. Saltanov stressed, however, the need for greater political reconciliation among Iraqi leaders, and pressed for a timeframe for withdrawal of multinational forces. Satterfield said he would look into Russia's request for more access to and more information on the detainees held in connection with the 2006 murder of Russian diplomats in Baghdad (ref A). Saltanov also mentioned the Middle East Peace Process, noting that Russia still supported the Roadmap as well as Egypt's efforts to reduce the violence in Gaza. End Summary.
- 12. (C) Satterfield told Saltanov the U.S. welcomed Russia's engagement in Iraq and encouraged Russia to do more, both in the political and economic spheres. He emphasized that stability in Iraq was important, not just for Iraq, but for the larger strategic picture. The future of Iraq affected issues such as Iran, terrorism, Sunni extremism, and the stability of the region as a whole. He urged Russia to increase its political and economic investment in Iraq, and to encourage Iraq's Arab neighbors to become more active and to establish diplomatic representations there. Iran should not be the only regional country with a presence in Iraq.
- 13. (C) Saltanov said Russia supported the idea that international assistance, including Russia's, had to be more intensive and active. He said Russia had urged Iraq's neighbors to do more to reduce the level of terrorism in Iraq, including telling Syrian President Assad he needed to implement "real" measures to reduce the flow of foreign fighters to Iraq. Such efforts, together with those of MNF-I, the Iraqis themselves, and other countries supporting Iraq's sovereignty, Saltanov said, had led to the reduction in terrorism and violence. During his February visit to Moscow, Iraqi FM Zebari had told him that the level of foreign fighters through Syria had dropped three-fold.

¶4. (C) But, Saltanov said, both Iraq and the U.S. admitted there had not yet been a significant enough breakthrough, and Russia agreed there needed to be increased international cooperation as well as a "real" dialogue among the political factions. The GOR had encouraged the Iraqi government to step up their efforts at political reconciliation. He noted that as a result of his visit to Iraq in March, the GoI had a better understanding of Russia's concerns and interests, both political and economic. Russia also believed the international community should encourage assistance to the UN's efforts to facilitate municipal elections.

- 15. (C) Saltanov reiterated the GoR's argument that there needed to be a timeframe for withdrawal of MNF troops. This was essential to get the Sunni elements to move forward on the reconciliation and dialogue process. Russia understood that the idea of a "timeframe" (not a "timetable," Saltanov emphasized) was sensitive, and that an immediate withdrawal could lead to chaos. Russia also acknowledged that the GOI wanted the MNF to stay until their own security forces were stronger, and that Iraq's Arab neighbors linked their own safety to the presence of the MNF. But, Russia still believed that more certainty about a timeframe for MNF withdrawal would both encourage the GOI to seek greater political stability, and promote greater international cooperation.
- $\underline{\P}6$. (C) Satterfield described the current situation in Iraq, noting that despite the tensions and set-back caused by the recent events in Basra, there was a rough, fragile, political center forming. He concurred on the need for greater

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stability, political dialogue and progress in building institutions, but pushed back on the argument for a timeframe, emphasizing that all but Muqtada al-Sadr saw the international military presence as essential to preserving the fragile path to stability. He said the U.S. wanted to see the UN Chapter 7 mandate replaced by the end of the year by an agreement giving sovereign authorization for the presence of combat forces. While not setting a calendar, the new agreements with Iraq would give the sense of a conditions-based horizon for the international military presence.

Russia to Increase Engagement with Iraq's Neighbors

- 17. (C) Saltanov said Russia would seek to increase the effectiveness of the Neighbors Process launched at Sharm-el-Sheikh, and would heighten its engagement with Iraq's neighbors. Syria had more of an economic incentive to see Iraq become more stable, as it would benefit from both the Kirkuk-Banias oil pipeline, and a possible gas pipeline transiting Syria. The approach to Iran, he contended, should include all elements of the environment and aspects surrounding the country. The more pressure the international community tries to impose on Iran, the more stubborn Iran becomes and the more the Iranian people rally around their government. He encouraged the U.S. to continue its dialogue with Iran on Iraq, and said he would consider what more Russia could do to encourage other regional countries to establish diplomatic missions in Iraq.
- 18. (C) While the U.S. was willing to engage in another round of direct talks with Iran, Satterfield said, we were not optimistic they would yield any better results than the previous rounds. The recent volley of Iranian-provided rockets into the embassy compound in Baghdad showed that Iran was still pursuing its violent support for the terrorists in Iraq.

Russian Economic Investment

- ¶9. (C) Satterfield said he had told Lukoil the day before that the U.S. and Russia were on the same page on energy investment: both were telling the GOI it needed to modernize and open its hydrocarbon sector, by agreeing to production-sharing arrangements, not just service contracts (ref B).
- 110. (C) Saltanov replied that Russia was prepared to facilitate a settlement in Iraq through economic means, by investing in Iraq's hydrocarbon sector, if Russian companies could work out their problems, including in the West Qurna (2) oilfield. This would send an important signal to other international companies and investors. He also noted that Russian companies were still involved in other economic sectors, such as power generation, which they had never abandoned. The Russian business sector wanted to keep working in Iraq, and even to expand, but this depended on the security situation. The GOR could not encourage greater Russian company participation unless the security situation was stable.

Russian Diplomats Killed in Iraq - Follow-Up Requests

111. (C) Satterfield told Saltanov he would look into how the U.S. could best address Russia's request for information regarding the detainees held in connection with the murder of Russian diplomats in Baghdad in 2006, as set forth in FM Lavrov's February 7 letter to the Secretary (ref A). He would also explore the GOR's request for access for its investigators to several of the detainees (septel). Saltanov expressed appreciation for Satterfield's efforts, saying it was a matter of great importance to Putin and to the families.

Kuwait Conference

112. (C) Saltanov said he would attend the April 22 Expanded Neighbors Ministerial in Kuwait.

Middle East Peace Process - Annapolis Follow-Up

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- 113. (C) Saltanov veered into a lengthy discussion of Middle East peace efforts, noting that Russia still supported the Roadmap as "the only document we have," and had seen significant steps on mutual measures needed to implement the first stage of the Roadmap as a result of the Secretary's efforts. What was important now was for all sides to implement them. While Russia believed that the security of Israel was still one of the paramount issues, and that the shelling of Israel needed to stop, Russia was also concerned by the building of new complexes in the settlements. These did not add to confidence-building and could be seen as recognition of Israeli occupation of the territories. Therefore, Russia was supportive of Egypt's efforts to resolve the issues in the Gaza Strip. Saltanov noted that Russia had support from the Palestinians and Israel, as well as Washington, to hold a follow-on conference to Annapolis later this year.
- 114. (U) Ambassador Satterfield has cleared this cable. BURNS